

*Healthy People. Healthy Communities.*

Department of Public Health &amp; Human Services

Presentation to the 2013 Health and Human Services  
Joint Appropriation Subcommittee

**CHILD SUPPORT ENFORCEMENT**

Economic Security Services Branch  
Department of Public Health and Human Services

Reference:

Legislative Fiscal Division Budget Analysis, Volume 1, Page B55-B58

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**OVERVIEW**

Child support payments are an integral part of the monthly budget of most people who receive them. Having this be a reliable source of income for a family is key. Often times, the DPHHS office of Child Support Enforcement is the only affordable place that people can go to have paternity established, support payments calculated and orders enforced or modified. The division also locates absent parents and helps keep children insured with their work in medical support enforcement.

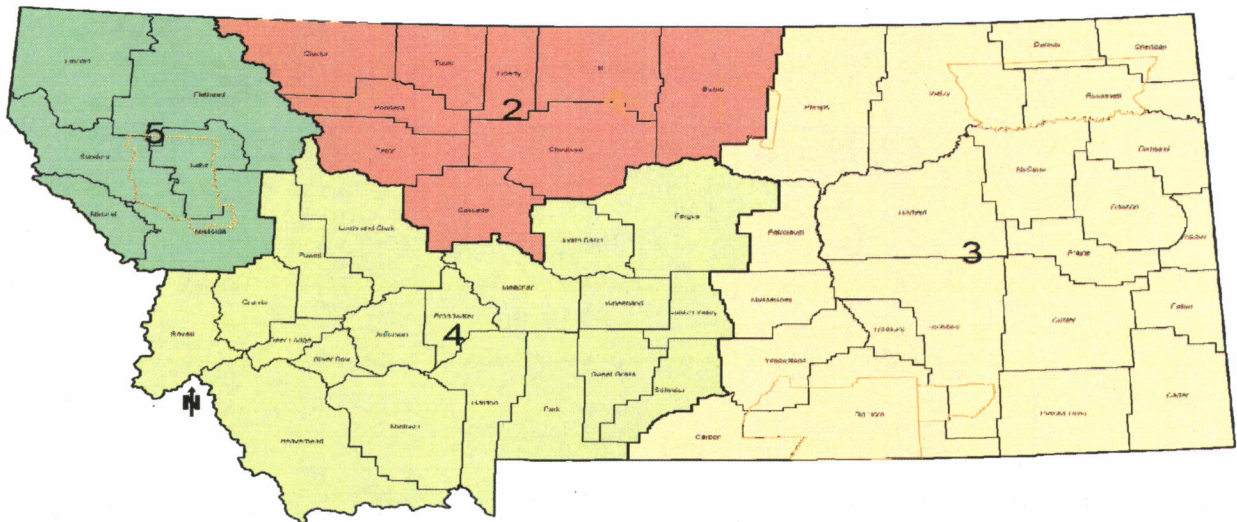
The importance of the work the division does is evident from some of the comments received from the people we serve. Below are excerpts from letters we have received from the parents we serve.

- For all the days it may seem no one knows or appreciates all you do, please remember the people like me who will never forget the difference you made in our lives and the lives of our children. (Missoula Regional Office)

- I wanted to let you know the deep appreciation I have for [my caseworker] and the great work she has done. She goes above and beyond the call of duty, and it seems she continually faces obstacles and never gives up. (Great Falls Regional Office)
- [My caseworker] never let me quit when I felt like I couldn't fight anymore. You have been a true blessing in my life. (Billings Regional Office)

Through our offices in Helena, Billings, Butte, Missoula and Great Falls, the division assists people with their child support needs. Next is a Montana map outlining the counties and the approximate number of cases for each regional office.

Montana Child Support Enforcement Division Regions



DPHHS

Created By: Gail L. Curren, NHD06, Nov. 2012 in R.2.10.0  
Appears in Legislative Report: CSED Regions

<u>Office</u>	<u>Region</u>	<u>FTE</u>	<u>Cases (approximately)</u>
Great Falls	2	22	6,249
Billings	3	31	10,789
Butte	4	23	7,169
Missoula	5	26	8,483
Interstate	8	23	<u>7,539</u>
Admin Law Judge Helena		6	
Helena Central Office		<u>32.75</u>	
Total FTE		163.75	Total Cases 40,229

(case load figures are as of 06/30/2012)

## **SUMMARY OF MAJOR FUNCTIONS**

- In SFY 2012 the CSED collected \$70,255,970 in child support on behalf of families. The majority of these collections (94%) go directly to the custodial parent. The remainder (6%) is returned to the federal and state governments for reimbursement of funds utilized for the Temporary Assistance for Needy Families program (TANF).
- Presently in its caseload of 40,229, the CSED provides child support services to approximately 141,000 individuals. Child support services are available to all members of the public that are in need of assistance. The CSED does not charge for its services except for a modest case opening fee, which is never higher than \$25. Each month the CSED receives approximately 700 new applications for child support services.
- Providing paternity establishment services legally identifies a child's father. This is the necessary first step for obtaining an order for child support when a child is born out of wedlock. In addition to providing a legal relationship between a father and child, establishing paternity can provide a child with:
  - access to Social Security benefits, pension and retirement benefits;
  - medical insurance and health information;
  - confirmation of tribal enrollment status; and
  - important interactions and relationships with both parents.

The CSED establishes paternity for children born out of wedlock. As of June 30, 2012; the CSED had 26,268 children within its total caseload of 40,229 wherein paternity had been established.

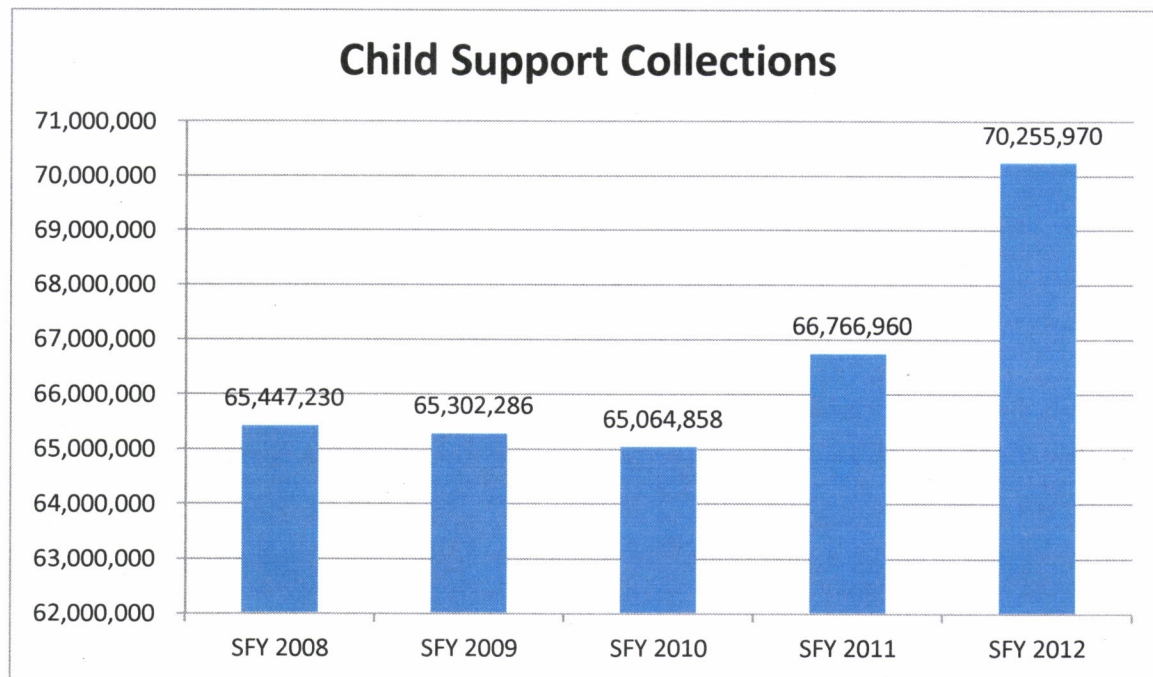
- The CSED uses state approved guidelines to determine how much a parent should pay for child support. In Montana, child support orders can be established by a court or by an administrative hearing process. During SFY 2012, the CSED administratively established 2,073 orders of support on behalf of families. Within its total open caseload of 40,229; 33,889 have had child support orders established.
- Provisions for health insurance coverage must also be included in child support orders. The CSED establishes child support orders in any support order that it establishes or modifies. The CSED also seeks to enforce the health insurance coverage when it is reasonably available to parents. Enforcing health insurance for children saves the state Medicaid costs that it would otherwise have to pay. In SFY 2012 the cost-savings to Medicaid was approximately \$6.3 million.

## **HIGHLIGHTS AND ACCOMPLISHMENTS DURING THE 2013 BIENNIUM:**

### **\$70 Million in Child Support collections for children in SFY 2012**

As shown on the bar graph below, for the last three federal fiscal years collections of support have been maintained at a level of over \$65 million dollars per year, despite the difficult economy.





#### Customer conveniences increased by the introduction of the US Bank ReliaCard

On January 11, 2010 the CSED began putting child support payments on a US Bank Visa debit card. This debit card looks like any other debit card and can be used in all the usual places debit cards can be used. Our customers particularly like the flexibility of on-line purchases, such as of being able to pay for their children's school lunches and school pictures on-line. Also, our customers now get a monthly bank statement showing their transactions and account balance.

This change was also beneficial to the division as about \$240,000 per year in savings was realized from switching from the Montana Access Card to the ReliaCard. From January, 2010 through June 30, 2012, there was just over \$62 million in child support payments put on ReliaCards.

#### Electronic filing of New Hire information increased from SFY 2010

Employers who are required to submit information regarding new employees may now provide this New Hire information via the web. This new option allows employers to submit information by electronic file, fax, US mail or by phone. The CSED has been encouraging electronic filing, and as of SFY 2010, approximately 54% of New Hire information was received electronically. This percentage increased to 55.5% in SFY 2011. As part of our medical insurance efforts, New Hire information includes whether or not an employer offers health insurance to their employees.

#### Ease in making child support payments increases as on-line child support payments almost double

More and more parents and employers are taking advantage of being able to make child support payments on-line. On-line technology makes it easy to make a payment because people can pay at any time, day or night, and from any location with a computer. On August 14, 2007, the CSED began accepting child support payments on-line from non-custodial parents and employers. By early 2008, \$952,000 dollars in support had been paid using this website, and by June 30, 2012 total on-line collections since the inception of the program were over \$3 million.

12,134 cases had medical support ordered and provided

Health insurance is very important to everybody. The CSED regularly helps children obtain health insurance through the establishment of medial support orders. Also during SFY 2012, Medicaid cost savings as a result of child support enforcement efforts was just over \$6.3 million.

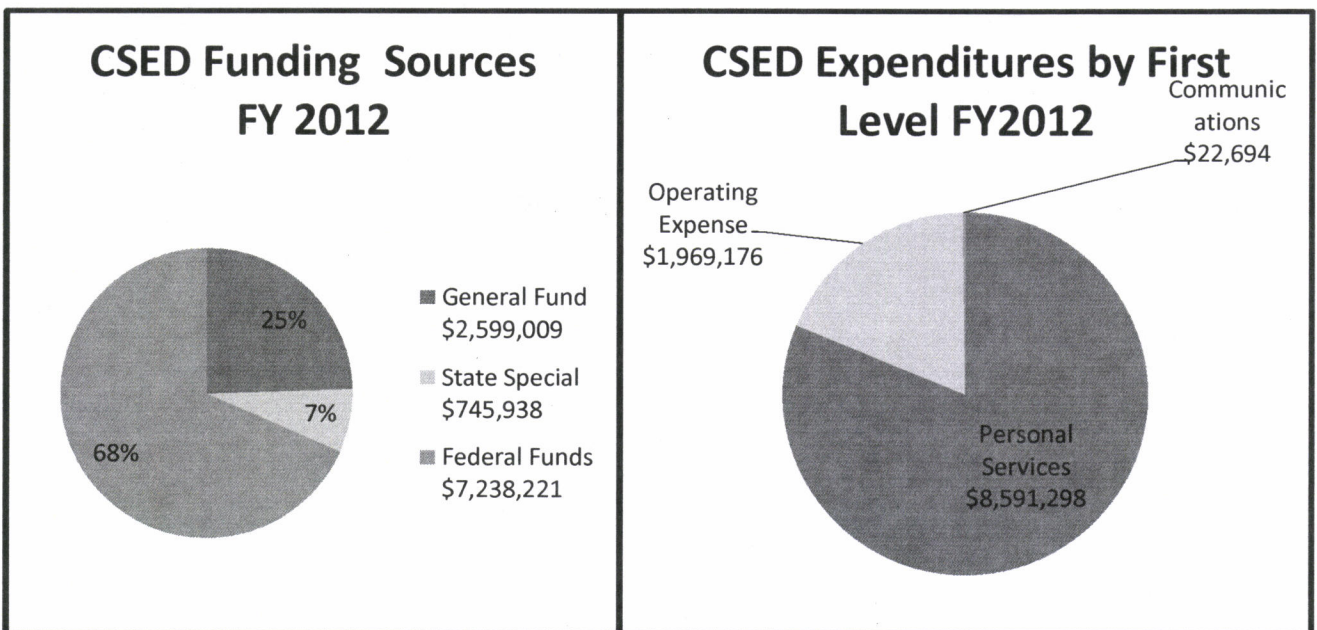
## **2015 BIENNIUM GOALS AND OBJECTIVES**

<b>Department of Public Health and Human Services Child Support Enforcement Division</b>	
<b>Goals and Objectives for the 2015 Biennium Submitted September 2012</b>	
<b>Goal:</b> Diligently pursue and ultimately achieve financial and medical support of children	
<b>Objective</b>	<b>Measures</b>
Obtain support for children by maintaining our ratings on federal child support performance standards.	<p>The CSED will review and analyze whether:</p> <ul style="list-style-type: none"><li>• Child support collections have been maintained.</li><li>• The IV-D paternity establishment percentage has been maintained.</li><li>• The percentage of cases with child support orders has been maintained.</li><li>• The percentage of cases with current child support collections has been maintained.</li><li>• The percentage of cases with child support collections in arrears has been maintained.</li><li>• The cost effectiveness ratio has been maintained.</li><li>• The number of children with medical support has been maintained.</li></ul>

## FUNDING AND FTE INFORMATION

	2012 Actual Expenditures	FY 2014 Request	FY 2015 Request
<b>Child Support Enforcement</b>			
FTE	163.75	163.75	163.75
Personal Services	8,591,298	9,500,208	9,521,307
Operating	1,969,176	2,000,757	2,021,785
Communications	22,694	22,694	22,694
Total Request	<b>10,583,168</b>	<b>11,523,659</b>	<b>11,565,786</b>
General Fund	2,599,009	2,846,378	2,853,471
State Special Fund	745,938	818,346	825,577
Federal Fund	7,238,221	7,858,935	7,886,738
Total Request	<b>10,583,168</b>	<b>11,523,659</b>	<b>11,565,786</b>

THE FOLLOWING FIGURES PROVIDE FUNDING AND EXPENDITURE INFORMATION FOR  
FY 2012 FOR CHILD SUPPORT ENFORCEMENT



## **Decision packages (See LFD Budget Analysis, Page B-58)**

DP 50001 - Private Lease Adjustment - This present law adjustment requests \$64,826 in total funds for the 2015 biennium, including \$22,041 in state special revenue funds and \$42,785 in federal funds to pay the cost associated with lease adjustments in non-state owned buildings throughout the state.

<b>Fiscal Year</b>	<b>General Fund</b>	<b>State Special</b>	<b>Federal Funds</b>	<b>Total Request</b>
<b>FY 2014</b>	<b>\$</b>	<b>\$ 8,420</b>	<b>\$ 16,343</b>	<b>\$ 24,763</b>
<b>FY 2015</b>	<b>\$</b>	<b>\$13,621</b>	<b>\$ 26,442</b>	<b>\$ 40,063</b>
<b>Biennium Total</b>	<b>\$</b>	<b>\$22,041</b>	<b>\$ 42,785</b>	<b>\$ 64,826</b>

## **LEGISLATION**

The Division has no pending or requested legislation.

